

Collaboration as a Medium for Effective Corporate Social Responsibility

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International Business

Bachelor's Thesis

Supervisor: Dominika Mironska

Date of approval: 9 April 2020

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Objectives

Given the extent of the current literature based on the benefits of effective collaboration and the concept of creating shared value, this thesis aims to synthesize the impacts of both on a businesses operations. By using corporate social responsibility this thesis also aims to look at how socially desirable work can be incentivized as a distinguished business strategy and how the impacts of collaboration can increase the social value which a company can provide to society.

Summary

Based on the qualitative research conducted with C-level executives this research proves that the three most predominant variables which determine a collaborations success are mutual trust, effective contractual practices, and a mutual understanding of common goals, values, and visions. By strongly implementing these into a collaboration, a partnership can amplify the end result of a collaborative effort and by using the concept of CSV as a source for alignment of mutual vision, a firm within a partnership can witness a multitude of different benefits to both their business and society.

Conclusions

In conclusion, this thesis found that a widespread implementation of collaborative networks basing their partnerships off of creating shared value can create a positive feedback loop of generating both economic and social value for businesses and consumers, this is on a macro level. On a micro level, the implementation of acting as a socially responsible organization can prove to have many benefits such as increased productivity, enhance publicity, and decreased operational costs, for a business or subsidiary who uses the concept of creating shared value as a core value in their operations.

Key words: *Collaboration, Creating Shared Value (CSV), Corporate Social Responsibility (CSR)*

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1. INTRODUCTION:

1.1 Background

With the development of the global economy over the course of the th20 and 21st century collaboration has become a staple of the way work is conducted in businesses around the world. Collaboration has become increasingly crucial in allowing companies to grow and expand their operations both domestically and internationally. Another major trend which has become apparent in the 21st century economy is corporations focusing more of their resources on Corporate Social Responsibility, “the responsibility of enterprises for their impact on society”. With more socially conscious consumers in the market, companies have had to adapt to the demands of more socially responsible firms. This presents the concept of Creating shared value, a theory which allows companies to provide social value and in doing so generate economic value/profits for the firm. The purpose of this research paper is to examine the relationship that these concepts have and in doing so provide a reasoning for why firms should operate in a socially desirable way and make profits out of doing so.

1.2 Research problem:

In order to best examine the relationship and provide justification we must first examine the research problem, ask research questions and set research objectives to guide the research of this investigation. The research problem relies on the premise that companies in the modern globalized economy have found that it is nearly impossible to operate alone and with the monetary and social power of large corporations and industries, collaboration between firms can provide optimized results for both entities, while creating shared value can create both socially desirable and economic results which incentivizes this kind of collaboration and approach.

This thesis will focus on the impacts of collaboration and CSR on a company's performance and to what extent do these concepts improve a company's productivity, brand perception, and most importantly the macro impacts of operating in a socially desirable way.

The main methods of research will be taking a qualitative approach to interviewing high level managers of Finnish maritime industry firms, and this method was chosen

for ease of access, extensive business experience, and global perspective on company strategy and operations.

1.3 Research Questions:

This research was based off of three questions which provide a fundamental basis for how the investigation should be done:

1. What are the ways in which a firm can optimize social impact and make the quality of life higher for the people who live and operate in their locality or the world in general?
2. How does collaboration impact companies in the modern-day economy and how can companies create optimized results out of collaborative efforts?
3. How can corporations use collaboration as a medium for the more effective creation of social and economic value to make profits or create other sorts of value which incentivize doing socially desirable work?

1.4 Research Objectives:

The research objectives were set out to create a structure to finding answers for the research questions. One objective was chosen for each question.

1. Analyze the extent to which a firm can optimize social impact and what measures can be taken to do so.
2. Explore the nature of corporate collaboration and analyze the methods of creating a strong collaborative effort.
3. Explore the relationship between CSR and Collaboration and find how organizational alliances benefit a firm in creating shared value.

2.1 Literature Review:

The purpose of this investigation is to analyze the different benefits for CSR/CSV and associate these findings with the process of effective collaboration. The idea is to lay a foundation of researched academic papers to determine how this relationship could be used to provide companies with a more effective use of collaboration as a medium for creating shared value. The most prominent concepts which must be explored are, Corporate Social Responsibility, its benefits, and how it relates to CSV along with Corporate Collaboration and how it is effectively done across different organizational entities.

2.1.1 Corporate Social Responsibility:

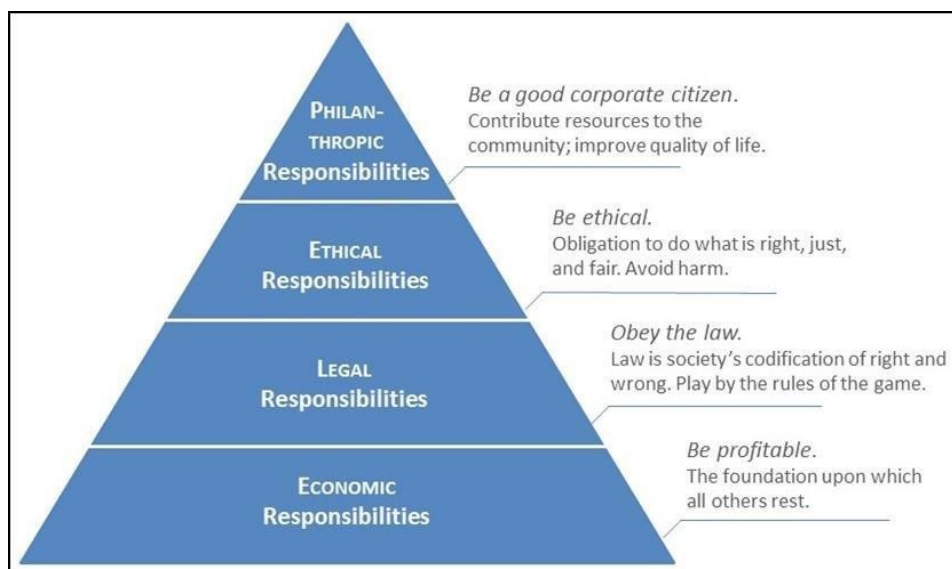
A functioning and well-off society is paramount for any great corporation to succeed and it is for this reason that it would be in any corporation's best interest to have a well off and functioning society. The relationship which a firm shares with the society surrounding it is interconnected in a multitude of different ways. "The corporation is largely dependent on social stability, growth, due process guarantees, social peace and welfare of potential customers" (Keinert, 2008). Another agreeable reason as to why corporations should care for the wellbeing of a society is because all the human capital within the corporate entity has originated from the society itself. Employees of the company are all active members of their communal society with the lives they have outside of the workplace as members of other communities such as citizens, consumers, and inhabitants of local communities (Crowther (2004), p. 236). This, among many other reasons, is why companies should feel obligation to benefit society.

Of course, Society gains substantial benefit from companies as well. With the large number of advantages to society which companies bring, the most significant impact is that "Corporations can push the development of a community much further with their R&D investments, and therefore advance the whole of society with their potential for innovations" (Keinert, 2008). Nevertheless, this research and development is almost always done out of corporate self-interest, but this shows that corporate interests can be aligned with the interests of society as a whole. This is the basis of the research, by finding how to optimize this relationship and use effective collaboration to amplify the effects which firms have on improving society, we can

observe how a firm can increase its market position while providing socially desirable results.

So, in which ways can a business benefit society? The simplest answer to this question is: Corporate Social Responsibility. Arguably, the single most valuable theory concerning the actual content of a firm's social responsibility is Carroll's pyramid of CSR, Shown below. The very basis of a firm's responsibility is of

Figure 1- Carroll's pyramid model of corporate social responsibility (Carroll, 1991).



Source: https://www.researchgate.net/figure/Carrolls-pyramid-model-of-corporate-social-responsibility-Carroll-1991_fig1_308937632

economic nature, (Pinkston and Carroll (1996), p. 205). So, its primary obligation is to operate at a profit, “legitimately pursue” growth, and provide society with goods and services at “fair prices” (Pinkston and Carroll (1996),

p. 199). Above this, firms must be able to obey the laws of the given country which they are operating in. Exceeding legal responsibilities comes ethics. This means that the leaders of organizational entities must have a sense of judgment which directs them to do “the right thing” for their employees, corporate partners, and most importantly, society. Finally, in order to be a good corporate citizen of the economy Pinkston and Carroll suggest that firms must fulfill philanthropic responsibilities. This means contributing meaningful resources to the community which improves the quality of life for members and citizens of this given society. These four pieces are the pillars which make CSR so effective.

There is an ongoing debate of which term is best used to describe corporations doing desirable things for society. Carroll & Shabana argued in 2010 that, “Although the term corporate social responsibility (CSR) is still generally used today, related concepts such as business ethics, corporate citizenship, and corporate social performance are competing to replace it” (Carroll & Shabana, 2010). But the key definitive term for Corporate Social Responsibility that will be used in this investigation is as the European Commission defined it in 2011, “the responsibility of enterprises for their impact on society” (European Commission, 2011). This definition accurately accounts for the conditions and terms presented by Carroll and Shabana’s argument and elucidates all the key points this investigation is based on. In addition to this, the definition allows firms to interpret what effective CSR is in their own ways, which in turn means that no matter what the organization specializes in they can provide useful functions to society.

2.1.2 Incentivizing CSR as a Business Strategy:

Given that CSR so greatly benefits society, what could incentivize companies to more actively participate in these kinds of activities? Enlightening corporate leaders to the fact that CSR is a competitive advantage to the market, and not a PR stunt. Proven external benefits of CSR are of course corporate image, but more importantly decreased operational costs, increased revenues and new untapped consumer markets. But there are also internal benefits such as, increasing employer attractiveness and reducing the impact of the principle-agent problem (Keinert, 2008). When people think about why a firm would engage in CSR the most obvious answer is for increased corporate image. Now, while this is a major selling point for companies looking for this engagement, it is also a so-called “slippery road”. The problem of greenwashing has occurred in recent years regarding corporations fraudulently marketing their environmental responsibility. Greenwashing is “the act of misleading consumers regarding the environmental practices of a company or the environmental benefits of a product or service” (Gallicano, 2011). There is a fine line between proper and abusive use of CSR. Greenwashing is the abuse of CSR in attempt to increase public perception, but the honest use of CSR can have the benefit of true increased public perception. Given that a company’s reputation can give them an intangible asset with the potential to create value and is nearly

impossible to recreate by their competitors. “it undoubtedly is a key resource, even in the narrowest possible sense of the term” (Roberts and Dowling (2002), p. 1077).

Another major benefit to the effective and honest usage of CSR is the decrease in operational costs. Many countries, states, and municipalities offer incentives for acting socially responsible and doing things like recycling, reducing CO2 emissions, and this is one great way that the corporate sector can use governmental incentives to act responsibly. In addition to this, corporations can act in an eco-friendly manner while saving disposal costs of equipment by donating it, which provides both social and economic value to the firm (Campbell et al, 1999). In addition to this, By investing in environmentally-friendly or otherwise socially beneficial business operations or products a company can gain the advantage of decreased costs due to the fact that in the future these operations or products can become subsidized, regulated, or a typical industry standard. This also allows the business to be ahead of the industry curve, giving it possible first mover advantages (Keinert, 2008).

Another very interesting way in which corporations can increase revenues from CSR is by tapping into new consumer and investor markets. Research suggests that consumers and customers are more likely to purchase products/services from a company which operates in socially desirable ways. This concept is also true for investors, as it has been proved that investors are more likely to fund companies which provide social benefit. (De la Cruz Déniz and Katiuska Cabrera Suárez (2005), p. 29.). In contrast, Customers will typically avoid purchasing goods or services from companies which consistently exercise in unethical practices, and this has recently been seen in many cases involving large consumer markets boycotting companies such as Air France for animal rights, Amazon for tax evasion, and Hewlett-Packard for human rights. While these consumer boycotts do not completely drown companies out of business, they are typically not good for them either. Now the opposite of this is also true. If firms can operate with excellent social responsibility, consumers will actually be more attracted to the product. Empirical research has proved that consumers are willing to pay a premium for ethically and environmentally sustainable products. “For \$10 items consumers indicated willingness to pay up to 28% more for it given it were fabricated under “ethically acceptable” conditions, while for \$100 items, a premium of 15% seems a realistic price cap” (Auger et al. (2003), p. 283). Similarly, In the case of eggs, for instance, in most developed Markets, a 25% premium for free-range eggs compared with their cooped-up counter parts, is

typically agreed as a reasonable price increase in the consumers perspective (Smith (2005), p. 63).

Another great competitive advantage which comes from the proper usage of CSR in a firm's strategy is through the improvement of a company's market position. This is created by the indirect impact which socially desirable actions have on public publicity and enhanced reputation (Keinert, 2008). By having enhanced reputation from taking socially valuable actions consumers are more willing to buy the products of the company and this creates an opportunity for improved market position and can provide another intangible unique value proposition which separates a firm from its competitive counterparts. This is the culmination of previously listed micro-benefits into the use of a full market strategy of providing value to socially conscious customers, and in doing so providing a business with a strategic competitive advantage. Similarly, another effective way in which corporations can reach new consumer markets through CSR is by becoming a "CSR pioneer". This allows the firm to be the first organization to operate in a socially desirable way in a new and innovative manner compared to any of their competition. Markets (especially eco-conscious ones) react to this in a very positive way and this can help a firm gain market share. Therefore, by operating in a responsible way, corporations are able to tap into new market segments and this not only makes them more revenue but also expands their total consumer base.

Now, these are just the external benefits which a socially responsible firm can experience. What about the benefits within the company itself? The first and most apparent internal benefit which a socially responsible company can experience is increased employer attractiveness. In the evolving globalized economy, the labor force demographics are changing. according to a Pew Research Center analysis of U.S. Census Bureau data, more than one-in-three American labor force participants (35%) are Millennials, making them the single largest generation in the U.S. labor force (Fry, 2018). Millennials are known for a few key traits in the workplace, the most common being "wanting to make a difference". With the millennials having taken over the workplace proportionally in 2017, and this number constantly increasing, it should be made obvious that companies should try to offer this attribute of work to this pool of workers. This does not go to say though that all Millennials are interested in socially optimal results, just like in every generations, there are a proportion of Millennials who are more profit focused, disregarding social impact. But

in comparison to previous generations this number has significantly decreased, and the majority of Millennials have recognized the need for socially conscious work. By making CSR a focus and a main objective in the organization, a firm can attract much of the young talent which strives for socially responsible work, which is crucial for continuous growth in a time where “top-notch knowledge workers” constitute the key resource advancing an organization (Crowther (2004), p. 212.).

Another internal benefit from CSR is increasing perceived workplace retention and decreasing negative impacts of the principle-agent problem. In the workplace, disputes and alienation can happen for any employee and this can cause a major inefficiency for firms. This can be caused by poor management, lack of direction, and poor corporate structure, or possibly a mix of all of them. Now while focusing on CSR can not necessarily account for all the variables which lead to this it can help in a few key places. For one, a strong sense of doing good for society in the workplace can motivate employees to work harder and more efficiently because they know they're work will positively impact others. This can also help resolve the principle-agent dilemma. “A widespread real-life example of the principal agent problem is the way companies are owned and operated. The owners (principal) of a firm will elect a board of directors. The board of directors monitor and guide the management team like C-Level executives (the agents). More often than not, these agents will act in their own best interest. For example, greenlighting a massive project that gives them more authority or prestige instead of pursuing something else that could maximize social value” (Agarwal, 2019). In traditional profit-based business this problem is common because the agents work out of self-interest for profit maximization. In a socially responsible company this problem can largely be eradicated because work is done for social good, instead of personal interest, therefore removing conflicts of interest. By giving workers a direction for social good, they can be more motivated to do their work and less likely to work out of self-interest.

2.1.3 Creating Shared Value:

Similar to CSR is the concept of Creating Shared Value, as Michael Porter introduced at the institute for Strategy & Competitiveness. Creating Shared Value or CSV for short is, “a framework for creating economic value while simultaneously addressing societal needs and challenges. When businesses act as businesses—not as charitable donors—they can improve profitability while also improving

environmental performance, public health and nutrition, affordable housing and financial security, and other key measures of societal wellbeing. Only business can create economic prosperity by meeting needs and making a profit, creating infinitely scalable and self-sustaining solutions” (Porter, 2011). CSV is different to CSR as it goes beyond simple philanthropic work and maintains direction on the business model being directly linked with the solution of social problems in the world. It is the blending of economic value and societal value and relies on businesses equally evaluating both when making decisions. This means that corporations do not sacrifice profits, but instead find a way of creating economic value, profits, with actions that create value for society. The idea of CSV will drive innovation in the 21st century. This is because the money will be manifested by the companies and organizations which base their operations from doing good for the people, not exploiting them. As Porter points out, “Companies have overlooked opportunities to meet fundamental societal needs and misunderstood how societal harms and weaknesses affect value chains. Our field of vision has simply been too narrow.” (Porter, 2011) This is to change if companies want to maintain competitive advantage in the near future as it will be preeminent to maintain a certain level of social value to have a customer base to sell to, and in order to be an industry leader, organizations will have to implement CSV into their corporate structure and business model. This is because the market has recently seen a trend pointing towards the increase of companies who work on creating shared value. This trend has shown significant cost and public perception advantages, amongst many other benefits. One example of this is Wal-Mart who in 2005 set a ten-year goal of doubling its fleet’s efficiency, to both reduce costs and increase eco-friendliness. “By improving its processes for loading, routing and driving and investing in new technologies, it increased efficiency by 102.2 percent from 2005 to 2015 and created approximately \$1 billion in savings annually” (Folk, 2018). With both the reduction in costs and emissions Wal-mart has taken this concept and implemented it into a very viable corporate strategy for supply-chain management. This is just one example however, and the trend is shown across countless other organizations and only keeps growing. This poses the question, how can this development impact a company if all members of their organizational network implement the same approach? Would this kind of collaboration lead to amplified economic and social value generation and

could this lead to a revolution in business operations? To examine this phenomenon we must first examine the nature of effective corporate collaboration.

2.2.1 The Nature of Corporate Collaboration:

The globalized economy has made corporate collaboration paramount. No one business can operate an entire supply chain flawlessly, provide to all consumer markets effectively, and operate internationally efficiently. If a firm wants to do these functions with speed, reduced prices, and provide quality goods they must be able to collaborate with other companies each providing another wing of the total operation. Not only does corporate collaboration make delivery of products and services more efficient, it also strengthens each entity, when managed correctly.

There are many ways corporate entities can collaborate: franchising, networks, corporate groups, coalitions, movements, collective impact initiatives, intersectoral collaborations, strategic alliances, etc. Each one of these providing a different function and achieving different results. With an effective usage of multiple of these different kinds of collaborations, firms can strengthen their overall production and efficiency. In the past few decades, the amount of total corporate collaboration has significantly increased due to the emergence of massive multinational enterprises (Pieter de Man, 2001). For smaller firms to maintain competitive advantage they must combine their knowledges and resources to strengthen and provide products at a competitive price and quality. The new globalized supply chain also plays a massive role in this. With parts coming from all over the world, global partnerships are necessary for a firm to thrive. For sake of example, a hypothetical firm partners with manufactures in southeast Asia, specialized technology firms in Germany, IT support systems in India, and marketing specialists in America. This is just one example of the supply chain needed to get a product to market, but more importantly are the ways in which the company collaborates with each of these separate entities. Depending on size they may make strategic manufacturing partnership with the factory in southeast Asia, a purchasing agreement with the German tech company, a strategic technological partnership with the IT company from India, and a franchising agreement with the American marketing company (in this example the specifics are not as pivotal as the concept). With each of these functions having been spread out to different corporate entities and with strong mutual trust established, the company is now able to allocate more of their resources to producing and designing the best

product that they can. This showcases the increased efficiency which comes from effective corporate collaboration.

2.2.2 The Elements of Strong Collaboration:

So how are strong alliances created in the globalized economy? Before entering a collaboration, it is important to understand the firm's objectives, strengths, and expectations. This should also be done for the organization with which the partnership is made. As M. Alice Ball and S. C. Payne proposed as a fundamental step for analyzing partners, Once you have established the purpose of the operation it is then useful to make a list of possible collaborators which will assist in streamlining the necessary processes which achieve the outcome. The most useful questions to ask when analyzing potential partners are as follows: Do they share common interests? What are the values, goals, and visions of the firm? Is there past work history together? Do you share respect with them? What expectations do they have? And the proper use of this analysis will provide a foundation for the relationship. (Ball & Payne, 1996). With similar goals set on CSR, not only can one improve the state of their own organization but also strengthen the effectiveness of corporate partnerships. But this is not the only way in which collaboration can strengthen a firm.

One of the crucial ways in which corporate collaboration can strengthen a firm is the significant influence which knowledge sharing can have on an organization's working efficiency, task quality and informational capacity. To effectively explore knowledge sharing one must first define the different forms of shared knowledge. Prior research has identified a distinction between the sharing of two types of knowledge: "codified knowledge, which has been written down and is usually shared in the form of electronic documents, and personalized knowledge, which has not been formally articulated in writing, and is usually shared in the form of personal advice" (Hansen, Nohria, & Tierney, 1999). This first kind of knowledge sharing is typically easier to track and research, since it is all documented, whereas personalized knowledge is typically spoken and so the members of the conversation may recollect it, but never 100% correctly. When collaborating, knowledge sharing improves organizational operations as it allows employees from either organization to share their working competencies with one another, an educational relationship which would have not otherwise occurred. With the new knowledge employees gain, they could possibly

come up with solutions to problems otherwise not thought of, come up with innovative products, or see perspectives they had previously not seen. Empirical research conducted by Hansen & Haas in 2007 proved that, “different types of knowledge have different impacts on a task unit’s performance. Electronic documents improved the time efficiency of teams, while personal advice improved the quality of work and signaled their competence to clients” (Haas & Hansen, 2007). This shows that knowledge sharing is just one of many ways in which collaboration can strengthen a firm.

Another way in which corporate collaboration can strengthen a firm is through the indisputable impact it has on a firm’s supply chain. It is clear that effective and trusted collaboration can substantially impact a firm’s supply chain in a multitude of different ways. By collaborating, “supply chain partners can work as if they were a part of a single enterprise” (Lambert and Cooper, 2000). In addition, supply chain partners can access and leverage each other’s resources and enjoy the benefits of their relationship. This kind of collaboration can “increase collaborative advantage and enhance firm performance” (Cao & Zhang, 2010). By collaborating with other organizations in these ways a corporation can strengthen their supply chain in a way that gives them optimal results. Good written contracts are essential, effective communication is paramount, and clearly defined goals and objectives of the supply chain’s management is paramount for yielding positive results in supply chain collaboration. The effective use of all these aspects can provide a company with a very strong supply chain, in turn strengthening the operations significantly.

Another way in which corporate collaboration strengthens a firm is that of decreased operational costs. By collaborating with other firms, an organization can essentially upscale its productive output, which in turn decreases the variable cost of each unit of output. This is because instead of covering each element of a products production, the company spreads out each function to its different partners who specialize in that element of production. If each piece of the production is handled by an organization which specializes in that piece, they have the advantage of increased efficiency and decreased cost in performing that task. By linking an entire supply chain consisting of companies that have these advantages, the product is produced quicker and cheaper. This strengthens each company in the chain and mostly the one creating all these partnerships.

Finally, when a firm collaborates with other organizations, the effective upscaling that is achieved through collaboration can massively increase their impact on society. With multiple companies that operate with a certain level of CSR, or even better CSV, the end product can be one that significantly impacts the lives of many people in society. With the effective use of collaboration, companies can provide substantial social value to the world. The potential of this is immense. If each company in the supply chain has incorporated focus on both economic and societal value, profits can be substantially increased, society can significantly benefit, and the scale at which positive change is enacted can tremendously intensify. This is because the collaborative effort of combining resources, knowledge, and specializations can create more effective solutions to major problems and increase the scale at which they are solved. With more collaboration from firms around the world focused on creating shared value, the solution to many of the problems we see in the world today could be fixed with increased efficiency, decreased costs, and at a higher quality than if they were approached by just one entity or government.

2.2.3 Managing Corporate Collaboration Correctly:

“Traits like honesty, truthfulness, fairness, and integrity must be more pronounced in alliances than in any other business activity, and a reputation for virtue and reliability can constitute a major advantage when searching for a strategic ally” (Keinert, 2008). When firms collaborate, it is mandatory that these traits are well established as this is the premise for an effective collaboration. The premise on which these traits rely, is that of maintaining honesty and faith in the collaborative effort. This means not pursuing hidden agendas or taking excessive advantage over their partners. (Bromily and Cummings in: Volery and Mensik (1998), p. 989.). Clearly one can see the maintenance of mutually beneficial relationships in collaboration is principal to effective collaboration, so what are the methods of carrying out this relational management? The 3 most useful practices are maintaining mutual trust, negotiating honest contracts, and understanding common goals and values. With the correct implementation of each of these techniques a collaboration can actualize the potential benefits which come out of collaboration.

Before establishing any collaborative practices with another firm, it is of utmost importance that both parties have established a mutual trust for the other. This is crucial to make sure that neither is playing to hidden agendas, manipulative tactics,

or aggressive actions. "Trust cements existing relations and at the same time acts as a magnet for future relations" (Klewes, & Wreschniok, 2014.). A reputation as a trustworthy organization can have immense benefits in collaboration and business in general. These benefits include increased customer confidence, investor confidence, workplace alignment, collaborative alignment, and most of all increased efficiency. With the removal of negative impacts of distrust, firms can operate with the assurance that all reported information is true. This means that there is no need for second guessing expectations and results. With established trust firms can move on to the next most important aspect of effective collaboration, proper contracts.

When companies come together to join in collaborative efforts it is vital to have effective contract management. The main purpose of a contract is to clarify the rights, risks, responsibilities, and role of both parties within a project, venture, or sale. Appropriate contracts are important because they align organizations on the expectations of collaboration. Contracts help in establishing more trust and effective outcomes out of collaborative business ventures. Contracts also give proof of what was agreed upon, help prevent misunderstandings, set guidelines for conduct, reduce risk, and most importantly give each company security and ease of mind when entering a cooperative agreement. This is especially true in contracts with more on the line for each company participating. As the stakes in the contract increase, The effort from both parties must be taken in regards to hold their side of the agreement, so if aggrieved, they have grounds to hold the party in breach liable, and if in breach can have grounds to prove their case of following agreed terms. (Agarwal, 2016). For these reasons' contracts help in effective collaborative practices and once the contracts have been correctly formulated it is time for the next step in an effective collaboration.

The final element of correctly managing an effective collaboration is the mutual understanding of a common goal. If companies can find common ground over common goals, they not only have something to individually work towards, but the collaborative effort itself has a meaning and direction to work towards together. "A common understanding of goals will ensure that there is individual dedication towards a joint cause as well as a stimulator for group identify formation. Reinforcing a common message is key" (Coka, 2019). In addition, with this common goal established each entity of the collaboration can compare their results of work towards the desired outcome for the whole. This common goal should be clearly

established at the beginning of the collaboration and very clearly enforced throughout all the actions/decisions taken throughout the process. With a clear and common understanding of the purpose of the collaboration is, the partners can begin to work towards achieving their goals and the relationship is built in an effective way providing desirable results.

When all three of these steps in managing an effective collaboration have been clearly established the proven benefits of collaboration begin to take place. The results which one company would have seen are amplified by the collaboration and if this common goal is based out of adding societal value to the world than both of the collaborative firms can see all of the benefits listed throughout this literature review section. This section has laid the premise for the research segment of this paper and used many academically researched papers to create a foundation into the quest for finding how effective collaboration can be used as a medium for creating shared value in the economy.

3. Methodology:

3.1 Methodological Approach:

The purpose of the research methodology is to systematically approach a solution to the research problem, while proving the credibility of the research and legitimizing the results found. The purpose of the methodology is to introduce the overall approach to research taken in this study. The research conducted was primarily qualitative, in a series of interviews with C-suite managers in the Finnish Maritime sector. Now while this provides some constraints to the generalization of findings to business as a whole, since the purpose of this paper is to solve a theoretical research problem, many of the findings can be in fact applied to theory regarding managerial decisions for creating shared value as strategic positioning in collaboration. Qualitative interviewing was the most suitable approach to this research especially given the background that the interviewees had and this contribution to the research. Given that the research was based around finding a way to use Corporate Social Responsibility as a business model for more effective corporate collaboration, the interviewees had to have knowledge and experience in both CSR and corporate collaboration. Historically, the maritime industry has not had

such a large priority in creating social value and has instead been more economically focused. However, in recent years with the ever-changing consumer market and the need for more ecological ships, this has in fact become a large contention point for gaining a competitive advantage in the industry (Froholdt, 2018). This evolving stance on CSR and CSV made the interviewees optimal for this research. This was key but without significant experience in corporate collaboration, the interviewees would not have had much impact on this research study. But given that both interviewees were CEO's of their own respective companies and the fact that both organizations have extensive networks of firms that they work with, they had optimal insights into both topics. The synthesis of these two topics and the utilization of the conceptual framework allowed the interview process to be streamlined for optimized insight into the research problem.

3.2 Methods of Data Collection:

With the utilization of qualitative interviewing, the purpose and methods of data collection had to be precise to focus the flow of the interviews to benefit the acquisition of knowledge on the topic of using CSR and CSV as a medium for more effective collaboration.

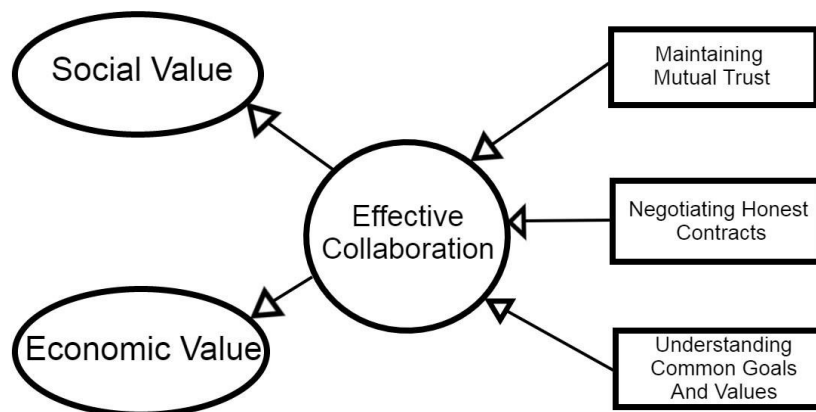
3.3 The Experience Segment:

At the beginning of the interview it was important to establish the interviewees background in business and their experiences. This was for two main reasons: comfortability and credibility. To establish a proper conversational flow throughout the interview it was important to establish a level of trust between interviewer and interviewee. To do this some general background questions were asked to make the conversation flow better as well as provide proof for the interviewees experience within business. When this is established it allows for the later answers to hold more weight and also gives us insight into their perspective on business based on where they have worked in the past. The questions were as follows:

1. Can you tell me your name, job title, and any notable past experiences in business?

2. Could you give me some background on your organization and your perspective on business operations?

After establishing the interviewees background in business, job title, organization and other general information about them, the starting point for this was the conceptual framework that was established and its usage in dictating how the conversational flow of the interview was to be conducted.



3.4 The Collaboration segment:

The first step was to establish measures needed for effective collaboration (These are seen in the right most boxes in the diagram). This started the conversation on the basis of collaboration; learning the interviewees experiences in corporate collaboration, their ideology when approaching a collaboration, and their perspective on how collaboration should be conducted.

The accompanying questions with this first segment, collaboration was: (in order from Q3-Q8)

3. How do you start a relationship with a partner? Is it casual like at a dinner or strictly professional like at a business meeting or pitch?
4. When entering a business collaboration what do you value most in a relationship with the other entity?
5. What are your steps in writing up an effective contract?

6. Do you establish common values or goals with your partners? If so, what do you like to place most importance on?
7. When working with partners how do you maintain effective collaboration throughout the process?
8. What are the key aspects in producing positive results within collaborations and how do you judge this performance?

These questions were chosen to direct the flow of the interview into following a somewhat structured order while not making it very direct and losing the thought train that follows more casual conversations. It was important to preserve this idea of maintaining a good thought train throughout the interview to persist strongly. This was intended due to its impact on the level of comfortability with the interviewee which allows for more accurate, truthful, and insightful pieces of knowledge to be communicated. Overall, making the interview have a stronger impact because it is more of a conversation and less of an interrogation. But the questions themselves do carry weight in carrying the conversation forward in an academic and insightful way. As seen above the questions go from more general, “low ticket items” to deeper and more open-ended questions which allow for optimal insights. This was done not only in the sections, but more predominantly in the whole length of the interview, as discussed later. Now while the preliminary questions are not necessarily groundbreaking findings, they do allow us to further see into the interviewees perspective and understand how they approach business. This allows the analysis of their managerial style and some of the motives behind their decision making, which allows better evaluation of how they answer the questions. This allowed for a continuing conversation on collaboration and the important key factors in collaborating effectively. It was important to establish this in the first part of the interview as it allowed for the topic of collaboration to be synthesized with its impacts on creating shared value.

3.5 The CSR and CSV segment:

After having covered collaboration, the interview took a shift into corporate social responsibility and the creation of social and economic value. This part of the interview provides excellent insights into how the interviewees conducted CSR in their current and previous organizations. With this part of the interview the main focus was to connect how social value could and should be created by a company and how effective collaboration can increase the impact of it. The order of the questions was as follows.

The accompanying questions with this second segment, Creating Shared value and CSR were: (in order from Q9-Q17)

9. How much does your organization work on corporate social responsibility?
10. What do you believe socially oriented partnerships offer which other forms of collaboration don't?
11. When making a decision do you account for economic and social value equally?
12. What do you believe would be the optimal balance between social and economic value?
13. What expectations do you believe businesses have to operate in a socially desirable way?
14. What benefits do you see from operating in a socially desirable way?
15. How relevant do you envision the state of Corporate Social Responsibility to be in the future?
16. How can collaboration increase the overall effectiveness of a firm to reach desirable social goals?
17. In what innovative ways do you believe businesses could collaborate focusing on creating shared value?

The questions were made in this order similar to the reasoning for the collaboration segment. As the questions started from more concrete and simple topics they continued to larger concepts and topics requiring deeper thinking and analysis. This was done to discuss the theory in a deeply analytical sense, and it proved quite effective. The results from the interviews were overwhelmingly positive and allowed

for a strong connection between the use of collaboration and corporate social responsibility, and how the use of effective collaboration can increase the impact of a company creating social value.

3.6 The Interviews:

The first interview was with Markku Mylly, who is currently the CEO of his own maritime consultancy company, MyNavix OY, based out of Tallinn, Estonia. He has had extensive experience in the Maritime industry for the past 40 years, and significant business experience throughout his career. The interview over Skype took place on March 1st, 2020 at 11 am. The interview ran for about 54 minutes and provided great insight into his experienced perspective on both collaboration and creating social value. He gave the process he uses for effective contracts, ensured that openness and trust are two key stones for effective collaboration, and discussed his CSR experience in Portugal providing charitable acts through his business to provide resources to the less fortunate people of Lisbon. The interview itself went well but a major technical problem occurred that led to the loss of the transcript. Mr. Mylly supported the recovery process by sending his notes to the questions and a quote on each one to be used for the results. Therefore, the results of this interview can be used in the results.

The second interview was with Jussi Malkia, who is the chairman and founder of the Meriaura group, based out of Turku, Finland. This interview was conducted on Thursday, March 12th at 3:27pm. Due to technical problems three different communication channels were used: Skype, MS Teams and phone call.

For increased efficiency and accuracy in future investigations and interviews, possibly a face-to-face method could be more useful and if this does not work, making some software adjustments, having 3 mediums set up when starting, and having four 15 minute clips instead of one hour long one could help in the technical aspect of interviewing. However, with the results having been collected it now came to how they should be analyzed to interpret them into findings.

3.7 Methods of Analysis:

The main method of analysis for the data collected is the coding of the answers given by the interviewees to determine major themes and topics for each of the segments of the interview. This will help when analyzing results because it will outline the main ideological inclinations of each interviewee relating to each topic discussed. The main codes for both segments will be split into two segments: the leading code, which directs what is being discussed; and the perspective code, which describes how the interviewees perceive this topic. The main words to be looked for in the leading code are collaboration, relationship, partner, contract, positive results, CSR, social value/orientation, economic value/orientation, incentives, effectiveness, CSV. These were chosen on their impact to the conversation and ideology discussed as well as their frequency throughout the interviews. The main words for the perspective coding are communication, honest, open, trust, common, benefit, environmental, fair, ethics, increase, decrease, and key. These identify a person's perspective on the topic and were chosen as they occurred the most frequently when revealing this perspective. After picking all of the codes, the interviews were loaded into ATLAS.ti for its auto-coding function. This allowed for the creation of the groups and the analysis of the trends within the codes. Within the software there is also functionality to observe the relations between the codes which allowed in depth analysis of the percentage that each coded word appears in the transcript and to see how they relate to each other. This allowed the observation of how each leading code prompts a piece of perspective code throughout the flow of the interviews. This is useful because it analyzes the trends of how the interviewees perceive each of the topics which are addressed by the leading code. When analyzing these results for the findings the coding scheme proved useful because it proved that certain perspectives are shared and universal amongst the interviewees when talking about the given topics. This allowed for the conclusion of the relevance in these correlations between CSR and collaboration. The interview transcripts and coding are in the appendix for review.

3.8 Justifying Methodological Choices:

The methods of data analysis are justified by the fact that they provide a thorough analysis of the topics and questions of the interviews. So not only are the interviews

useful for their one to one conversational flow which allows for the learning and expansion of perspective on the topic from an executive position. It also allows definite patterns to be drawn between the topics discussed and the perspectives of them. This makes the results stronger because they are analyzed in both methods: colloquial and formal. The choice to use ATLAS.ti as the predominant software for coding and analysis was driven by high value – cost ratio. The coding feature automatically can make coding groups, and the codes themselves can be searched for throughout the text even if the spelling is not exact, with the many different strategy and context options.

The justifications for the interviews come from the massive amounts of experience which the interviewees brought to the conversation and thesis as a whole. The purpose of this paper is to investigate how corporate collaboration can increase the social impact that an organization has. With the added experience from a maritime industry leader in environmental shipping, that founded the company 34 years ago; and a C-suite executive who has been working with social responsible organizations for 40 years, the paper now has the real-world experiential knowledge which allows it to relate these theories to the business world when talking about the implications of the research.

3.9 Limitations of Methodology:

Technological problems did arise in both of the interviews. In the Markku Mylly interview the actual file was corrupted during review and the conversations exact transcript was lost. This problem was however (as mentioned before) solved by contacting Mr. Mylly and requesting his interview notes along with a quote for each question. He sent this file over and this was the document used for coding his interview. In the Jussi Malkia interview a problem arose with the original platform on which the interview was to be done. It was planned for Skype with MS teams as a backup. But, since both of these software's had technical problems arising a hasty switch was made to phone call. This did not impact the interview itself at all but made the transcription process more difficult because some of the words did not come through cell phone signal as well as they would have with the other platforms. These problems impacted the transcription of the interviews, allowing for a limited amount of key direct quotations to come from them. But the problems did not impact the actual content of the interviews themselves, or the added perspectives which these

interviews added to the thesis as a whole. Therefore, there were technical problems which made the process of conducting research more difficult, but these limitations did not impact the data or content which came from the research itself.

4. FINDINGS:

The purpose of this findings section is to outline the perspectives of C-level executives on the following topics with evidence from the code and quotes of the interviewees:

1. Establishing honesty
2. Contractual agreements
3. Mutual understanding of goals, values, and visions
4. The Benefits of CSR and CSV

But, to first get an understanding of how much each topic was discussed in the entirety of the interview process we must observe the leading code. By observing the percentages of each leading code one can visualize to which extent each topic was discussed and the general thoroughness of the discussion. This gives a quantitative value to the relevance which each variable had in this qualitative approach and a holistic understanding of the results but does not provide context of what the discussion was about. This is what the different sections offer. By taking this two-step approach to analyzing the results we can observe both how much the different topics appeared in conversation and how the interviewees perceived each topic.

Percentage of Leading Codes



4.1 Establishing Honesty:

The unanimous opinion on honesty's role in creating an effective corporate partnership was that it is of utmost importance to establish at the beginning of the collaboration. This concept was most clearly stated by Markku Mylly with his comment, "Before entering a partnership with one or more people, you have to trust them." In addition to this during the same interview when question 7 (When working with partners how do you maintain effective collaboration throughout the process?) was asked he stated, "Good communication and trust is essentially important". Jussi Malkia shared similar opinions by affirming, "I value open and fair trading and discussion, all systems should be quite open, constructive and fair." All of these traits are associated with trust and honesty and the terms "open" and "fair" were a part of the perspective code which gave insights into how Mr. Malkia perceived the creation of trust within a collaborative effort. These results were the most prominent to arise from the topic of trust, even though a few more arose as well, for example, "It must be fair, honest, and reliable both the partner and agreement". But this shows that the concept of trust is very important to the creation of effective collaboration and also that open communication is heavily linked with trust and honesty.

4.2 Contractual Agreements:

Question 5 of the interview was the most focused on trust and the way it was asked gave the research insight into the process taken to establish effective contractual practices. The most prominent notion discussed was clear templates and standard forms. These were shown with Mr. Malkia's in-depth process review, "Of course the first discussion is finding the possible business areas and then it's quite normal that our business people make first the contractual matter and a fixing note and some main terms written down, and if the negotiations and the activities are proceeding then the next step is to make it is the contract. Quite often in shipping we are using like a standard agreement contract which is which if there's some specialties in particular agreement that we write a Rider. We call it Rider to the end some sentences which are especially particular in this business." This general overview shows how the steps are taken to create a clear contract and has a heavy focus on the importance of standard forms and clear terms. Mr. Malkia offered the process whereas Mr. Mylly offered the key aspects of an effective contract. He stated the three most important pieces to effective contractual agreements are standard forms

and templates which have no surprises; rules of conduct to be followed, which constitutes good communication between actors, regular attendance of meetings, continuity of personnel, regular transfer of information among the partners; and that the contract is “Not too long and complicated or hiding something and is rather straight forward”. This also shows the theme of standard forms and terms but also highlights an important piece which was discussed in the interview but did not make as large of an appearance in the final transcript which is no hidden clauses. This point was more thoroughly discussed in the actual interview but because of the technical limitations no further quotes could be provided. The general premise was that when there are no hidden clauses more trust is established and the contract itself is fair and offers a level playing field. This variable adds more benefits to the use of effective contractual practice. Therefore, the key takeaways from the topic of contractual practice are standard forms, adherence of terms, and lack of hidden clauses.

4.3 Mutual Understanding of Goals, Values, and Visions:

The common opinion amongst the interviewees was that a mutual understanding of goals, values, and visions was the most important factor in creating an effective collaboration. This was most apparent in Mr. Mylly's interview when asked what values or goals he placed most importance on. He clarified that in his perspective the most important values in a partnership are: Complimentary characteristics, common values and vision, communication, mutual respect, and chemistry and passion. These characteristics are all indicative of partnerships as each one requires both parties of a collaboration to be focused in the same orientation. This result was similar to Mr. Malkia's, because when asked the same question, he stated, “fair trade and keeping agreements and if any problems finding constructive negotiable way.” All of these values we're outlined and show that the most valuable traits are those that share common sentiment between both entities. But, on this topic one limitation was found and that was the wording of the question. Question number six was worded, “Do you establish common values or goals with your partners? If so, what do you like to place most importance on?” and this led to a possible misunderstanding in what the question was asking. If the interviews were to be conducted again a wording of “To what extent does a mutual understanding of goals, values, and visions benefit a collaboration” could for example provide more optimal

results. But nevertheless, the key takeaways from this topic were that when both entities share similar values, and if these values are reciprocal such as communication or mutual respect, they offer massive benefits to the collaboration by providing extra levels of connection, which as discussed in the literature provide optimized results in collaboration.

4.4 CSR and CSV:

The CSR and CSV segment of the interviews provided a holistic perspective to the concepts by looking at many different aspects of CSR. The ethics, benefits, the future of CSR and practical applications were all examined. For the ethical consideration Mr. Mylly offered great insights such as, “Every business should follow ethics and have strict ethical rules – no violating of rules and regulations, common societal values, corruption, human rights etc.” and “Fair business should respect social value – not with any price”. These insights offered an obligation by business to operate in a socially desirable way as a mandate not as an option and this gives a great insight into ethical business practices as well as the social aspect of conducting business. The next major topic was the benefits of operating in a socially desirable way. In this Mr. Mylly also offered significant insights stating that he has experienced CSR to increase productivity and employee wellbeing. Mr. Malkia also proposed, “I think that it is in the interest for companies to have social goals and then it should be a core value of the company to provide a sustainable base for business activities.” When asked about how acting in a socially desirable way can assist a business in achieving their operational goals. The next major topic was the future of CSR in the global economy where Mr. Malkia stated, “I trust the state of corporate social responsibility to be very relevant in the future”. Mr. Mylly also offered significant insight by saying, “The concept of shared value—which focuses on the connections between societal and economic progress—has the power to unleash the next wave of global growth.” He followed this statement by explaining how it has the potential to reconceiving products and markets, redefine productivity in the value chain, enable local cluster development (for example maritime cluster in Finland) and offer team building with partners. As for the practical application of operating in a socially desirable way, Mr. Mylly talked about how the main ways that the organizations he has worked for operate in a socially desirable way along with how businesses can best carry out socially desirable actions. He profoundly stated that

the four best ways companies can conduct CSR is by environmental efforts, philanthropy, ethical labor practices, and volunteering. The quotes were very thorough and to read the complete quote refer to the appendix. But all of the results throughout both interviews indicated a heavy importance of acting in a socially desirable way and described some of the ways it could be done, why it should be done, and what the benefits of doing it could be.

5. Discussion:

The discussion section of this research paper has the primary objective of synthesizing all information which was collected throughout both the literature review and results section of the paper into two parts. The topic discussion and the question discussion which sets out to answer the research questions which this paper has sought out to find.

The topic discussion will be carried out in sections based on the key themes that must be addressed in order to answer these problems and then synthesis all of the information into a model which can be used by firms to increase their economic and societal value with the effective usage of collaboration and its many benefits. The themes to be discussed are:

1. Honesty and trust within a partnership
2. Effective contractual practices
3. Mutual understanding of common values, goals, and vision
4. Why that vision should be CSV
5. What CSR offers a firm
6. How Creating Shared Value with Corporate Collaboration will Advance a Company's Position in the Global Economy

These themes are crucial to understand the final concept and were chosen in this order to parallel the conceptual framework.

5.1 Honesty and trust within a partnership:

As Harvey S. Firestone said, "I believe fundamental honesty is the keystone of business" (Firestone and Crowther, 1926). Even almost 100 years later this quote stands true. Without honesty and trust how is one supposed to be able to work with others? For this crucial reasoning it is of upmost importance that when entering a

collaboration, trust must first be established. As the research has found, when entering a collaboration, honesty and trust is the single most important factor in effective collaboration to produce positive results. The reasoning for this is that productivity falls when one entity must worry about ulterior motifs from the other and if one entity has lost honesty then the common understanding of the goals and vision within the collaboration crumbles. As Jussi Malkia said, "I value open and fair trading and discussion, all systems should be quite open, constructive and fair. So, really establishing like that level playing field is very important." This idea of a level playing field was a very substantial topic in both interviews as Markku Mylly agreed by stating, "Equity should be a guiding principle in building a partnership". The concept is crucial to collaboration because if one organizational entity maintains power and an unfavorable position over the other then the peak effectiveness of the collaboration is lost. This can be examined by understanding the basic fact that when one organization can manipulate another into an unfavorable position then it is no longer a mutually beneficial or win-win situation. This is usually done for economic value gain and can be seen as a malicious business practice. The counter argument is that business is a *mano e mano* practice. But this is easily refuted by the fact that, this statement is a subjective perspective-based argument not placed in fact. But what happens when there is a strong sense of honesty and trust in a collaborative effort? As Markku Mylly stated, "There is increased support from superiors and managers, an established mutual respect for both entities, an established chemistry and passion for the work, and increased communication". These things all typically lead to optimized productivity and results, and for this fundamental reason the establishing of honesty and trust should be the primary objective when entering a collaborative effort.

5.2 Effective Contractual Practices:

The next step to assuring a positive collaborative effort with optimized results is the effective use of contractual practices. In business before any collaboration or agreement is officially under way it must be agreed upon by means of contract. This is important because it creates a hard copy of what the agreement is, provides legal justification if one entity does not hold up their side of the exchange, and often sets the regulations of the main objectives of the collaboration. The steps to writing an effective contract with desired results are split into three categories: the pre-

discussion, the contract writing, and the realization of the terms set. The pre-discussion as explained by Mr. Malkia goes as so, “the first discussion is finding the possible business areas and then it’s quite normal that our business people make first the contractual matter and a fixing note, then some main terms are written down, and if the negotiations and the activities are proceeding then the next step is to make it is the contract.” It should also be noted that if there are specialty clauses in the contract, a rider is also written to clarify the clauses, and this helps to explain some of the more ambiguous terms or specialties of the contract. Once the pre-discussion phase of the contractual writing is done it is time to move on to the actual writing of the contract. In this step, it is crucial to lay the key terms in a “standard form” with clear templates and a mutual understanding of what the terms are. It is also of utmost importance that there are “no surprises” as Mr. Mylly clarified. This is largely in part so that no one entity gains advantage of the other and to maintain the level playing field of the collaboration. He also noted that the contract should not be too long, nor should it be too complicated, but the most important part is to not have any hidden clauses and that the contract is straightforward. By adhering to these standards in the contract it makes the third step fairly easy to uphold. When all the terms have been set out and agreed upon by both entities a signature ensues. Then the effective use of contractual agreements can move into the third phase: the realization of the terms set. This is when the organizational entities begin to do what they agreed upon. With no hidden agendas they can do as they said they would and expect the same from their counterpart. For this purpose, it is crucial to have effective contractual practices. It allows a firm in a collaboration to build trust with the other and do so in a way that they can operate without fear of the other not holding up their side of the deal. It allows the collaboration to happen in an effective way because it clarifies what the purpose of the alliance is and objectively defines the goals of the partnership.

5.3 Mutual Understanding of Common Values, Goals and Vision:

When establishing a collaborative effort arguably the most important part of the alliance is the understanding of common values, goals and vision. When companies can agree on what it is, they want to achieve, they can efficiently work together to gain these desired outcomes. It allows for firms to be on the “same page” and allows them to be working towards the same orientation. This also goes further. When

organizations are oriented similarly, they are more likely to share knowledge, resources, and other utilities. This is because if they are determined to achieve the same results, they are more likely to weigh the achievement of that goal over personal gain. This can be a massive value proposition in the collaboration and can be the doorway to achieving the desired results in the most efficient and effective manner possible. The most predominant shared values for the C-level executives interviewed are trust (as mentioned earlier), complimentary characteristics, communication, mutual respect, chemistry, shared passion for desired outcomes, fair trade, and reliability of the partner to uphold the agreement. These values are crucial to the collaboration because they all share one thing in common and that is the desire for good partnerships. If both parties can expect these values from the other than they should be able to expect it from themselves, complementing each other's values, and strengthening the partnership. These values build the bonds which create strong partnerships and desired outcomes. When the values have been set the goals must then be addressed. If firms share the same goals, say for example CSV (as discussed later). They will work together in the name of being socially responsible. This provides both parties with a sense that the goal of the collaboration is to operate in a way that benefits society. When this is established, they can both do their part to help each other in achieving this goal and ultimately this will result in the desired outcome's amplitude being multiplied by the fact that they are collaborating. This is the key value proposition in collaborative partnerships. By working together to achieve the same outcome they are able to increase the effective output, of making the desired outcome become realized, significantly higher than they would if they we're doing it by themselves. It adds the "power in numbers" ideology to business and achieves a greater result for the goal set.

5.4 Why the Vision should be Creating Shared Value:

Creating Shared value is essentially the idea that social and economic value can be created at simultaneously. This idea allows a company to make profits and revenue from addressing societal problems and challenges. As Harvard business professor Michael Porter states, "When businesses act as businesses—not as charitable donors—they can improve profitability while also improving environmental performance, public health and nutrition, affordable housing and financial security, and other key measures of societal wellbeing" (Porter, 2011). This concept, and the

benefits from it, is only multiplied when approached in a strategic alliance between multiple organizations. When two, or more, firms are working on addressing social problems together they can substantially increase their overall impact which has proven benefits. Of course society itself benefits from it, which incites a natural circular system to occur, where the companies benefit society (which includes the employees of the company), and in doing strengthens the community and economy in a way that allows for the society to purchase and interact with the company in a more symbiotic way. This creates an opportunity for the company to increase their returning customer base, establish more meaningful relationships with their customers, improve the wellbeing of their employees, which improves their productivity at work, allowing them to do more and better work for the community. This positive feedback loop works especially well on a macro level when more and more companies begin to do the same and more partnerships are established. When this happens, the economy itself becomes a dual sided give and receive relationship mimicking many natural processes such as symbiotic relationships. Businesses give by providing customers with goods and services that genuinely increase their quality of life and receive the monetary currency needed to maintain their operations. Consumers receive the goods and services which improve their quality of life and in turn give the monetary currency which they earned at their own respective company. Now it is clear to see how this benefit can be exponentially grown when more and more companies adopt this ideology. If the company that the consumer works at also shares this vision of creating shared value, then they operate as both the giver and receiver in each side of their life. If every company operates in this way, then every person operates as both creator of exponential growth in the economy and quality of life. And companies can begin this process by focusing their corporate collaborations on the vision of creating shared value. Mr. Mylly did however point out one premise which must be addressed for this theory to have beneficial practical application. He stated, "Social entrepreneurship is an appealing construct precisely because it holds such high promise. If that promise is not fulfilled because too many "nonentrepreneurial" efforts are included in the definition, then social entrepreneurship will fall into disrepute, and the kernel of true social entrepreneurship will be lost." For this reason, the establishment of true socially entrepreneurial behaviors must be maintained throughout the process. Social entrepreneurs must maintain that the work they are doing benefits the quality of life

for the consumers who's needs they are satisfying. This premise must be held in order for this theoretical application to work and if the focus of corporate collaborations on the higher levels are maintained with the vision of creating shared value than this process can start to have fruition on the macro level.

5.5 What CSR offers:

Besides the symbiotic economy of creating shared value, what else does corporate social responsibility offer? As Mr. Malkia stated, "I think that it is in the best interest for companies to have social goals and it should be a core value of the company to provide a sustainable base for business activities." This is for many reasons, predominantly: increased productivity, increased wellbeing, ethical branding, and maintaining businesses obligation to society. First, increased productivity, it is clear that when a business is benefiting society in a positive way that the employees of that company are more motivated to do the work that they are tasked with. As addressed in the literature review this is especially strong with younger generations, but for the most part it is in human nature to know that what they are doing, is helping the world. Markku Mylly brought up a great point in the interview which went along the premise that, even if a company is conducting CSR it must clearly communicate this with all of its employees. This is because it must be at the forefront of their work in order to get the motivational and productivity increases which are desired with this strategy. If the employees are doing good for the world, but not reminded of it, they will weigh the workload over the impact and lose the productivity increases. For this reason, productivity will increase depending on two factors: how much CSR is the company doing (e.g. how much societal value added) and how clearly is that being communicated across the different levels of the organization. Next, CSR is known to increase the wellbeing of employees. This can largely be found by a phenomenon relating to stress levels in the work being done. This was also addressed in Mr. Mylly's interview. What was found was that when employees are doing what they believe to be socially beneficial work, they find that they are not as stressed by the work that they are doing. This can be seen by the fact that when an employee is faced with a problem, they can overcome many of the aspects that come with stress by the justification that the solution of the problem benefits more than themselves. This community-oriented thinking benefits the employee by shifting the reaction to the problem from an emotional/stressful manner to a more logical and

analytical attitude. In reducing stress, having CSR as a basis of work increases the wellbeing of employees at the firm. The third way in which CSR can benefit a firm is with the added value that comes from ethical branding. Not only are employees more inspired to work for an organization that operates in a socially desirable manner, consumers are more willingly to purchase products from one. By operating in a socially desirable way it is proven that consumers are more likely to purchase products from your firm than the competitors because the work that you do is done in an ethical way, and funding a company doing the right thing can be psychologically seen as doing the right thing yourself. This added benefit was discussed in the literature review (Smith (2005), p. 63). Another key point of discussion from Mr. Mylly was that of the ethical branding. The premise of this point was that companies must maintain accurate marketing of the actions which are actually taking place and must avoid green-washed marketing as a ploy for gaining more consumers. If a company is actually doing significantly large social projects then they should market these adequately and establish these projects with their brand to increase awareness for what they are doing, if a company only has a few minor CSR projects then they should only slightly market it but still make it known. Now, this can't be assured because CSR is essentially in the eye of the beholder and so it is hard to draw a line, but green washing should be avoided at all costs. The final point benefit from CSR is not as much of a benefit as a mandate: companies have an obligation of benefitting society and by doing so companies are fulfilling their objective as an organization. Now the neoclassical opposition to this point of view is, "private business exists for delivering products and services to society, and thus for creating (economic) value, and thereby generating profits for its owners. The managers are in power to maximize these revenues for the shareholders, bound through the employment contract as agents for the owners of the firm, the principals." (Milton Friedman in: Allhoff and Vaidya, 2005). And the mentality that "business is business", and shall remain nothing but that, while "society and welfare is not part of corporations' business" easily serve to present the neo-classical view as the expression of some "predator capitalism", where the right of the more powerful prevails, and nothing but profit maximization counts" (Keinert, 2008). But this view is based in old and outdated business practices from the first industrial age. The reality is that if you look back further to the basis of business in ancient markets and trade, business was established to allow job specialization's to exist and in doing so uplift society by

providing different and more technologically advanced resources that otherwise would not have been made. In this sense, the function of business is to provide people with resources that better their lives and would not have if it were not for businesses. For this fundamental law written in the origins of business, companies have an obligation to provide socially useful resources for their consumers and in the modern era do so in a socially responsible way that allows the modern era of economics to flourish instead of disintegrate because of unethical practices.

5.6 How Creating Shared Value with Corporate Collaboration will Advance a Company's Position in the Global Economy:

"The concept of shared value—which focuses on the connections between societal and economic progress—has the power to unleash the next wave of global growth." This quote is possibly the most substantial piece to come from the interview with Mr. Mylly, and it could not be truer. As discussed, with effective collaboration comes the exponential desired outcome which has been set by both organizations, and by setting a desired outcome in carrying out socially responsible operations comes a multitude of significant benefits. With the combination of these two theories comes the pinnacle of this research. By working together companies can increase the quality of life for people all around the world. The global economy has allowed a platform for an organization in North America to improve the lives of the ones who need it in Africa, a great example is the Bill and Melinda Gates foundation. With more companies providing similar results around the world, and more importantly working together to do so, the social value of a company's work can be exponentially increased, and in turn create profits fulfilling the economic goals set out by the stock and stakeholders of the company. The function of the economy could become creating social value for others and in doing so build economic value for your own firm. This concept is already seeing fruition and the trend is becoming more and more prevalent in the markets around the world. When an organization chooses to structure itself around conducting this type of business it can significantly increase its position in the market compared to its competitors (who will surely follow suit when they see the benefits) and the gained first mover advantage will be gained by those who implement this strategy earlier than later. For if this phenomenon in the global economy were to actualize it would revolutionize the way that business in the global economy is conducted and provide an opportunity for smaller companies to grow

and collaborate with MNE's. Companies would be looking to assist each other for their own personal gain, instead of playing a zero-sum game; knowledge sharing would provide an almost open-source database of conducted research to allow for new innovation to expand, and competition would become more of a "improve yourself to gain" field instead of the current "beat the others to gain" dogma which exists today. For this reason, using corporate collaboration as a medium for creating shared value has the potential to unleash the next wave of global growth. The utilization of this theory has the power to reconceive products and markets, redefine productivity in value chains, enable local cluster development, and induce common team building with strategic partners.

5.7 The Research Questions:

The second section of this discussion has the purpose to answer the research questions posed in the introduction and to use the results of the findings section along with the first segment of the discussion to justify these answers. The questions this study was searching to answer are as follows:

1. What are the ways in which a firm can optimize social impact and or make the quality of life higher for the people who live and operate in their locality or the world in general?
2. How does collaboration impact companies in the modern-day economy and how can companies create optimized results out of collaborative efforts?
3. How can corporations use collaboration as a medium for the more effective creation of social and economic value to make profits or create other sorts of value which incentivize doing socially desirable work?

5.8 Question 1:

To answer this question about the optimization of social impact refers us to the benefits of CSR section of our findings. We find that the predominant way that firms can increase their social impact is a two-winged strategy. First, firms can orient their operations to be done in a more socially responsible way. This could mean reducing environmental impact, providing more transparency for the general public, or taking measures to help alleviate problems in the world. But, the most significant way in which firms can maximize their social value is by offering goods and services which improve the quality of life for their consumers. Currently most products offer

consumers some utility, but they may not always improve quality of life. For example, free range eggs as used in examples before offer consumers satisfaction of helping animal rights. But they are also healthier. For this reasoning they increase the wellbeing of their consumers significantly more than their cooped-up counterparts. The second way in which companies can increase their social impact is by using effective collaboration. The results found that when companies collaborate together they multiple the amplitude of their performance to a point which they could not have achieved alone. By using CSR as the focal point for mutually shared vision in a collaboration, both firms operating in the partnership can increase their social impact.

5.9 Question 2:

The second research question regards the nature of corporate collaboration and the answer to how companies can optimize their collaborative results is a 3-winged approach. The first indicator of an effective collaboration is the mutually established trust. This must proceed the actual collaboration as it sets a foundation for the rest of the work done together. The second piece is the use of effective contractual practices. By using standard forms and templates, with no hidden clauses, a contract can be used as the medium for effective collaboration. This means that companies can revisit the contract as a guideline for task assignments and can base their work off of the contract. Contracts also provide legal justification if one party does not uphold their side of the deal. The final and most significant part of an effective collaboration is the mutual understanding of common values, goals, and visions. The most significant values were honesty, openness, chemistry, and shared passion for the project. If these are similar from both parties the outcome will be positive because when they expect this from their partner they will expect it from themselves leading to a strong bond and positive results.

5.10 Question 3:

The final question regards the synthesis of the two concepts and how they can be used to create shared value. The answer to this question is the theory of the symbiotic economy of creating shared value. When companies collaborate in an effective manner they are able to multiply the amplitude of their impact and if the collaboration is based out of creating socially desirable results then the resulting outcome of the collaboration is the increasing impact of their efforts to improve the

community or society which they are in. When this process starts the lives of their consumers will be made better increasing in the consumers having higher productive output, which generally means more financial stability. Allowing them to purchase more products from the company, this will maintain customer loyalty for the firm and in doing so generate the organization economic value. This process is amplified by the more firms that operate in this way and once a critical mass of firms operate in this way a positive feedback loop is established in the economy. Companies serving consumers in a positive way means consumers purchase from companies increasingly. This has the potential to uplift economies and can help businesses grow. For this reason when companies collaborate in socially desirable ways they are benefitting themselves in a multitude of different ways and multiplying the amplitude of their operations.

6 Conclusions:

This section provides the main findings of the research in terms of how corporations can use collaboration as an effective medium for creating shared value. In addition, this section also highlights the theoretical contributions of this research to managerial application and the impacts of this study on international business academia.

6.1 Main findings:

The main findings of this research are split into three parts: how effective collaboration is carried out and how the use of effective collaboration can improve the productivity of a firm, how the orientation of business on socially desirable operations can improve a company's performance, and how the use of collaboration to provide socially optimal results can create a positive feedback loop of increasing the quality of life for people while increasing the economic value of an organization. Overall, the research proved that in order to carry out effective collaboration C-suite managers consider trust as the most important factor in being able to start a cooperative effort with a partner. This variable is key because it lays the foundations of effective communication and allows the collaboration to continue into the next phase. The second piece of effective collaboration is the use of valuable contractual practices. This is to maintain each parties' obligations and lay the foundations for the purpose of the collaboration. Contracts are important in keeping each entity accountable for their actions in a collaboration. Finally, the research proofed that the

most significant part of an effective collaboration is the ability for both parties to share common values, goals and vision. This is crucial to establish a level playing field of ideas and get each member of a corporate alliance on the same page in terms of ideology and direction for the collaboration. The use of these methods provided a useful strategy for creating an effective collaboration and with the use of these the benefits for a corporation would be significant. The main benefits found are the increase of productivity, increased knowledge sharing, and most importantly the multiplied amplitude of impact for desired results.

The second main finding that the research discovered was the improvement of a company's performance due to increase in corporate social responsibility. This was found due to the research finding that corporations who operate in a socially desirable way typically witness increased productivity, wellbeing, and ethical brand perception. This can be seen from the employees of the company enjoying the work they are doing more, because they view it as doing good for the world. However, the premise on which this performance boost relies on is, the CSR which the company is doing must be clearly communicated throughout every level of the company.

The third and final finding which this research found was the how the use of collaboration to provide socially optimal results can create a positive feedback loop of increasing the quality of life for people while increasing the economic value of an organization. The theory of the symbiotic economy of creating shared value was discovered and the basis of this is that when multiple different companies are apart of multiple different groups of collaborative efforts all envisioning the production of socially optimal results, a positive feedback loop is established between societal quality of life increasing, economy growing, and businesses creating more economic value which can be devoted to adding social value. However this theory relies on the premise that social entrepreneurship stays true and the products which companies are creating are positively influencing the quality of life for the consumers of them.

6.2 Implications:

The implications section of this paper will be split up into two parts, The practical implications for managerial application, and the theoretical implications for international business. This was done to assess both the pragmatic and theoretical application of this theory to the business field.

6.3 Practical Implications for Managerial Application:

The main results from this research study has proved to be quite useful in managerial usage. By applying the steps for effective collaboration not only can high level managers better associate their organization with others and improve the work done but this theory can also be applied within a firm to align department needs for middle level management. The key concepts are honesty and trust, effective contractual practices, and mutual understanding of goals. For executives this means providing accurate information on the company to trusted business partners, having clean cut standard contracts with no hidden clauses, and establishing values, goals and a vision which others can choose to align with if similar interests are existent. By doing this, executives can represent their company better and find themselves in a position for better collaborative efforts. By establishing CSV as the goal of these collaborations a manager can boost employee productivity and wellbeing, while generate greater brand perception for customers and fulfilling businesses obligation to society. These things when done together can increase the impact of the social value and multiply the positive impacts of each act. By taking these measures managers can assure better performance in their organizations and see positive results from their shift in perspective and strategy.

6.4 Theoretical Application for International Business:

This research also fills a gap in the theoretical application to business. There have been countless studies done on the use of collaboration and how to effectively manage it. There have also been many studies conducted on the impacts of CSR, not so many, but still quite a lot on CSV. This study plugs the gap between the two by synthesizing both into creating the theory of the symbiotic economy of creating shared value which is something that throughout the review of current literature was not found. Although, the creator for the term and concept of CSV, Michael Porter has observed the impacts which CSV has on a macro scale. The connection between this theory and the benefits of effective collaboration allow this result to be amplified and this is the main theoretical application which this paper fills within the current research gap. The macro application of firms collaborating to create a more amplified shared value in society creates a positive feedback loop of increasing the quality of life for consumers and employees. This theory is one that can be significantly

developed of course and for this reason it could be a great field for possible further research.

6.5 Suggestions for Further Research:

The main suggestion for further research would be the development of the theory regarding a symbiotic economy of creating shared value. If this theory were to be developed the key points to look at and examine would be the feedback loop which is created by the interaction between firms operate in a socially responsible way and consumers who are enjoying an increase in their quality of life. If this relationship were to be further examined a very significant theory regarding to economics could be developed. This would require the quantitative testing and analysis of how consumers react to products that better their lives, the network of society to be unfolded and the interactions between business and consumer would have to be closely examined. If this we're to be further researched I would be very interested in either getting the results or developing the study myself.

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Appendix:

Jussi Malkia interview transcript:

[00:00:05] Next week Tuesday was quite difficult day for me so

it's okay. Yeah, understood. Here, I'm just trying to have set up this audio recording. alright, um, yeah, so sorry about all those technical issues, but I think we can start now so

Yeah, [00:00:36]

just the formalities the date of the interview currently is March 12th. The platform is phone call. The time is 3:28 and the interviewee is Mister. Jussi Malkia

All right. So, starting with question one. Could you tell me a little bit about yourself your job title and any notable past experiences you've had in business.

My name is Jussi Malkia. [00:01:06] I'm president of MeriAura group, I established the company 34 years ago, and I my education is a master mariner. So sea captain.

All right, so quite a lot of experience like in the maritime industry and also in business running MeriAura. [00:01:36]

Yes, 34 years and in Shipping business and Maritime 40 years now.

Yeah, that's quite the career. So, looking more into MeriAura. Could you give me some background on your organization and your perspective on how you guys operate the business?

[00:02:12] Yes it's a shipping business under sea transportation business company and then we have an addition of that, We have a new energy and like bio gas and yeah, the whole activities has been very strongly committed to environmental values and since just beginning that has been a very important reason to establish the company 34 years ago. [00:02:42]

So really bring the environmental perspective into like the maritime industry, Yeah?

[00:03:18] In a way one of the leading environmental companies in Europe if not globally, I have a feeling we are one of the Top 10 companies

So a real industry leader?

Yes.

All right, so I'm sure with all of the work you do you have a lot of collaboration that's necessary. So, when you're entering a relationship with a partner in business and a collaborative effort, how does that relationship start?

[00:03:49] Many ways. usually just some contact by phone and then I create a meeting and just very informal discussion, may be having a cup of coffee or lunch or something like that. And really not so formal, just some discussion trying to find your possible ways for cooperation.

Okay, so keeping it more casual opposed to like a very strict like business meeting or so?

Yes.

Okay. So, when you're establishing that collaborative effort in that relationship, what do you value most in terms of like traits or characteristics from the other entity?

[00:04:54] I value open and fair trading and discussion, all systems should be quite open, constructive and fair.

So really establishing like that Level Playing Field is very important?

Yes

[00:05:24] All right. And when you're establishing that I'm sure you have a lot of contractual work. So, what are your steps in the writing an effective contract?

[00:06:00] Of course the first discussion is finding the possible business areas and then its quite normal that our business people make first the contractual matter and a fixing note and some main terms written down, and if the negotiations and the activities are proceeding then the next step is to make it is the contract. Quite often in shipping we are using like a standard agreement contract [00:06:30] which is which if there's some Specialties in particular agreement that we write a Rider. We call it Rider to the end some sentences which are especially particular in this business.

And is that Rider as in R-I-D-E-R?

[00:07:03] Oh, yes.

Okay, and so during the collaborations, it's important to share like common values or goals with your partner. So what goals or values do you like to place most [00:07:33] importance on?

Yeah, Of course fair trade and keeping agreements and if any problems finding constructive negotiable way. It must be fair, honest, and reliable both the partner and agreement.

Okay. Yeah, so you must maintain that trust with the partner that's key. and so that's sort of segues into the next question when you're working with partners. How do you maintain the effective collaboration throughout the process?

Yes that's a very good question. It's very important to keep contact. If any questions arise, then of course immediately contact and try to find solutions, and even if there's no problems its important to keep contact in positive situations.

[00:09:24] Okay, um, and that also sort of goes into the next question which is what are the key aspects in producing that positive result within the collaboration and what would be the KPI's to judging this performance?

It's mostly quite same as in previous one [00:09:59] reliability, constructive activity, honesty, honest and fair understanding of our partners needs and expectations.

Yeah, so a lot of the same stuff that fuels effective collaboration will [00:10:29] then produce that positive result. Okay. Um, so now sort of switching gears more into the sustainability and corporate social responsibility. I know you mentioned earlier that MeriAura does a lot of it, but what kind or to what extent does your organization work on Corporate social responsibility.

Yeah, Our main focus is in environmental responsibility, that's number 1. But of course its social economical responsibility as well and any how kind of sustainability so in every respect.

Okay, so holistic approach to the CSR that you guys do but with that main focus on environmental, okay. Um, so sort of connecting both Partnership and CSR. What do you believe that socially-oriented Partnerships offer [00:11:53] which other forms of collaboration may not?

I think that they are quite same but it's expected to be in the similar context.

Okay, and so when you're making a decision do you account for the [00:12:23] economic and social value equally?

I think that social value is so strong and important part today, that it is a natural part of economical decisions, but of course its still business is very much money orientated, but more and more its important to make social values, but usually the money talks and it's an economical things are more strong, but I guess more and more social values are coming up, but unfortunately economics are still stronger

So there's a new trend sort of pushing towards the social value but economic value is still predominant, you would say?[00:13:42].

Yeah.

Okay, so that sort of goes into the next question, which is what would you believe to be the optimal balance between both social and economic value?

It's very important to mention that the economic values are mostly stronger, but the social value of and weight of social values are certainly rising up. But balance is good to be that social values as a positive progress in whole business life and decision making, so it's a developing indicator and part of the contribution.

Yeah. So what expectations do you believe businesses should have [00:15:12] to operate in the socially desirable way.

It's a bit similar to earlier. They must be very reliable, sustainable, and fair.

[00:15:46] yeah, so when they operate in that socially desirable way what benefits do you see that a company would get from doing that?

It's expectations are mutual so that they are having the same goals and direction in trying to develop social sustainability in business

So how relevant do you envision the state of corporate social responsibility to be in the future?

[00:16:49] Very relevant I trust.

Yes, and how do you think that the collaborative effort between businesses could increase the overall effectiveness of a firm to reach those desirable social goals?

I think that it is in the interest for companies to have social goals and then it should be a core value of the company to provide a sustainable base for business activities.

[00:18:13] All right. So finally in what innovative ways do you believe business could collaborate to focus on creating that shared value of economic and social?

In such a case that the companies and organizational partners are on the same track and that the goals are sustainable and these are meeting together than it is certain that some creative ways are necessary for it to work.

yeah, I agree that businesses could really have some innovative ways to collaborate and create that shared value and I agree with you that the trend of working on social value is growing quite a lot in the in the years to come [00:20:03] and thats sort of the basis of this thesis is to look at how can companies come together and collaborate to create a goal of working in a sustainable and Innovative way to create that shared value. And so would you be interested in seeing the results after I finish the thesis?

Sorry please repeat the last.

[00:20:35] So when I finish the thesis, would you want me to send you the results of the paper?

Please please I was going to ask if you can send email. Okay?

Yeah, I will definitely send them to you when I finish up. Alright. Well, thank you so much for your time today and sorry about all of those technical problems that arose.

Thank you so much and it was nice to give these comments for you.

[00:21:13] All right. Well, I'll email you shortly in the next coming weeks when I finish it up. And yeah. Alright. Thank you very much and bye.

Markku Mylly interview transcript:

1. Can you tell me your name, job title, and any notable past experiences in business?
 - Markku Mylly – Master Mariner 1980
 - Merchants Shipping 1973 – 1987
 - FMA 1987 -2010
 - FPA 2010 -2012
 - EMSA 2012 -2019
 - CEO MyNavix 2019 –
 - Partner Logscale 2020 -
2. Could you give me some background on your organization and your perspective on business operations?
 - MyNavix – consultancy / lecturing / start up

- Logscale - consulting
3. How do you start a relationship with a partner? Is it casual like at a dinner or strictly professional like at a business meeting or pitch?
 - Relationship with partners start in many different avenues;
 - o Long term relationship - network
 - o Business meetings
 - o Seminars and meetings
 - o Direct contacts
 4. When entering a business collaboration what do you value most in a relationship with the other entity?
 - Openness and professionalism
 - Individual, team and organization performance
 - Innovative atmosphere, team spirit
 - Respecting others
 - Inspiring vision and values – common strategic goals
 - Equal rights
 - Equity should be a guiding principle in building a partnership
 5. What are your steps in writing up an effective contract?
 - Standard forms and templates- no surprises
 - Rules of conduct (e.g. good communication between actors, regular attendance of meetings, continuity of personnel, regular transfer of information among the partners) are adhered to by the partners.
 - Not too long and complicated – hiding something – straight forward
 6. Do you establish common values or goals with your partners? If so, what do you like to place most importance on?
 - Trust. - Before entering a partnership with one or more people, you have to trust them.
 - Complimentary characteristics
 - Values and Vision. ... common values and vision
 - Communication. ...
 - Mutual Respect. ...
 - Chemistry and Passion. ...
 - Business is Business.
 7. When working with partners how do you maintain effective collaboration throughout the process?
 - Good communication and trust is essentially important – good and bad news

- Common goals – common challenges
 - Monitoring - To assess a partnership's achievements, determine improvements to be made and adapt further planning, a comprehensive monitoring system should be used. A partnership should be evaluated periodically and publish reports to demonstrate the added value of its work.
8. What are the key aspects in producing positive results within collaborations and how do you judge this performance?
- Building good relationship with collaborative teams
 - Communication and trust are essentially important
 - Continuous follow up of achievements vs. goals
 - Support from superiors and management
9. How much does your organization work on corporate social responsibility?
- What the public thinks of your company is critical to its success – good PR and communication
 - **Environmental efforts:** One primary focus of corporate social responsibility is the environment. Businesses, regardless of size, have large carbon footprints. Any steps they can take to reduce those footprints are considered good for both the company and society.
 - **Philanthropy:** Businesses can practice social responsibility by donating money, products or services to social causes and nonprofits. Larger companies tend to have a lot of resources that can benefit charities and local community programs. It is best to consult with these organizations about their specific needs before donating.
 - **Ethical labor practices:** By treating employees fairly and ethically, companies can demonstrate their social responsibility. This is especially true of businesses that operate in international locations with labor laws that differ from those in the United States.
 - **Volunteering:** Attending volunteer events says a lot about a company's sincerity. By doing good deeds without expecting anything in return, companies can express their concern for specific issues and commitment to certain organizations.
10. What do you believe socially oriented partnerships offer which other forms of collaboration don't?
- Social entrepreneurship is an appealing construct precisely because it holds such high promise. If that promise is not fulfilled because too many "nonentrepreneurial" efforts are included in the definition, then social entrepreneurship will fall into disrepute, and the kernel of true social entrepreneurship will be lost.
 - Because of this danger, we believe that we need a much sharper definition of social entrepreneurship, one that enables us to determine the extent to which an activity is and is not "in the tent." Our goal is not to make an invidious comparison between the contributions made by traditional social service organizations and the results of social entrepreneurship, but simply to highlight what differentiates them.
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- The business cannot jeopardize for example environmental values and protection, human rights gender balance etc.
12. What do you believe would be the optimal balance between social and economic value?
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13. What expectations do you believe businesses have to operate in a socially desirable way?
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14. What benefits do you see from operating in a socially desirable way?
- Better productivity
 - Good personnel policy – wellbeing of personnel
 - Increase of productivity
 -
15. How relevant do you envision the state of Corporate Social Responsibility to be in the future?
- It is essentially important and to my opinion CSR is one of the key elements in every successful business in the future
16. How can collaboration increase the overall effectiveness of a firm to reach desirable social goals?
- Common values with partners will enhance the achievements of social goals
17. In what innovative ways do you believe businesses could collaborate focusing on creating shared value?
- The concept of shared value—which focuses on the connections between societal and economic progress—has the power to unleash the next wave of global growth.
 - Reconceiving products and markets
 - Redefining productivity in the value chain
 - Enabling local cluster development – for example maritime cluster in Finland
 - Common team building with partners

Jussi Malkia Interview Coding:

[00:00:05] Next week Tuesday was quite difficult day for me so

it's okay. Yeah, understood. Here, I'm just trying to have set up this audio recording. alright, um, yeah, so sorry about all those technical issues, but I think we can start now so

Yeah, [00:00:36]

just the formalities the date of the interview currently is March 12th. The platform is phone call. The time is 3:28 and the interviewee is Mister. Jussi Malkia

All right. So, starting with question one. Could you tell me a little bit about yourself your job title and any notable past experiences you've had in business.

My name is Jussi Malkia. [00:01:06] I'm president of MeriAura group, I established the company 34 years ago, and I my education is a master mariner. So sea captain.

All right, so quite a lot of experience like in the maritime industry and also in business running MeriAura. [00:01:36]

Yes, 34 years and in Shipping business and Maritime 40 years now.

Yeah, that's quite the career. So, looking more into MeriAura. Could you give me some background on your organization and your perspective on how you guys operate the business?

[00:02:12] Yes it's a shipping business under sea transportation business company and then we have an addition of that, We have a new energy and like bio gas and yeah, the whole activities has been very strongly committed to environmental values and since just beginning that has been a very important reason to establish the company 34 years ago. [00:02:42]

So really bring the environmental perspective into like the maritime industry, Yeah?

[00:03:18] In a way one of the leading environmental companies in Europe if not globally, I have a feeling we are one of the Top 10 companies

So a real industry leader?

Yes.

All right, so I'm sure with all of the work you do you have a lot of **collaboration** that's necessary. So, when you're entering a **relationship** with a **partner** in business and a **collaborative** effort, how does that **relationship** start?

[00:03:49] Many ways. usually just some contact by phone and then I create a meeting and just very informal discussion, may be having a cup of coffee or lunch or something like that. And really not so formal, just some discussion trying to find your possible ways for cooperation.

Okay, so keeping it more casual opposed to like a very strict like business meeting or so?

Yes.

Okay. So, when you're establishing that **collaborative** effort in that **relationship**, what do you value most in terms of like traits or characteristics from the other entity?

[00:04:54] I value **open** and **fair** trading and discussion, all systems should be quite **open**, constructive and **fair**.

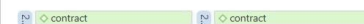
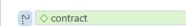
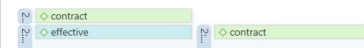
So really establishing like that Level Playing Field is very important?

Yes

[00:05:24] All right. And when you're establishing that I'm sure you have a lot of **contractual** work. So, what are your steps in the writing an **effective** **contract**?

[00:06:00] Of course the first discussion is finding the possible business areas and then its quite normal that our business people make first the **contractual** matter and a fixing note and some main terms written down, and if the negotiations and the activities are proceeding then the next step is to make it is the **contract**. Quite often in shipping we are using like a standard agreement **contract** [00:06:30] which is which if there's some Specialties in particular agreement that we write a Rider. We call it Rider to the end some sentences which are especially particular in this business.

And is that Rider as in R-I-D-E-R?



[00:07:03] Oh, yes.

Okay, and so during the **collaborations**, it's important to share like **common** values or goals with your partner. So what goals or values do you like to place most [00:07:33] importance on?

Yeah, Of course **fair** trade and keeping agreements and if any problems finding constructive negotiable way. It must be **fair**, **honest**, and reliable both the partner and agreement.

Okay, Yeah, so you must maintain that **trust** with the **partner** that's **key**, and so that's sort of segues into the next question when you're working with partners. How do you maintain the **Effective** **collaboration** throughout the process?

Yes that's a very good question. It's very important to keep contact. If any questions arise, then of course immediately contact and try to find solutions, and even if there's no problems its important to keep contact in **positive** situations.

[00:09:24] Okay, um, and that also sort of goes into the next question which is what are the **key** aspects in producing that **positive** result within **the collaboration** and what would be the KPI's to judging this performance?

It's mostly quite same as in previous one [00:09:59] reliability, constructive activity, **honesty**, **honest** and **fair** understanding of our partners needs and expectations.

Yeah, so a lot of the same stuff that fuels **Effective** **collaboration** will [00:10:29] then produce that **positive** result. Okay, Um, so now sort of switching gears more into the sustainability and **Corporate** **social** responsibility. I know you mentioned earlier that MeriAura does a lot of it, but what kind of or to what extent does your organization work on **Corporate** **social** responsibility.

Yeah, Our main focus is in environmental responsibility, that's number 1. But of course its **social** **economical** responsibility as well and any how kind of sustainability so in every respect.

Okay, so holistic approach to the CSR that you guys do but with that main focus on environmental, okay. Um, so sort of connecting both Partnership and CSR. What do you believe that **socially-oriented** Partnerships offer [00:11:53] which other forms of **collaboration** may not?

I think that they are quite same but it's expected to be in the similar context.

Okay, and so when you're making a decision do you account for the [00:12:23] **Economic** and **social** value equally?

I think that **social** value is so strong and important part today, that it is a natural part of **Economical** decisions, but of course its still business is very much money orientated, but more and more its important to make **social** values, but usually the money talks and it's an **Economical** things are more strong, but I guess more and more **social** values are coming up, but unfortunately **Economics** are still stronger

So there's a new trend sort of pushing towards the **social** value but **Economic** value is still predominant, you would say? [00:13:42].

Yeah.

Okay, so that sort of goes into the next question, which is what would you believe to be the optimal balance between both **social** and **Economic** value?

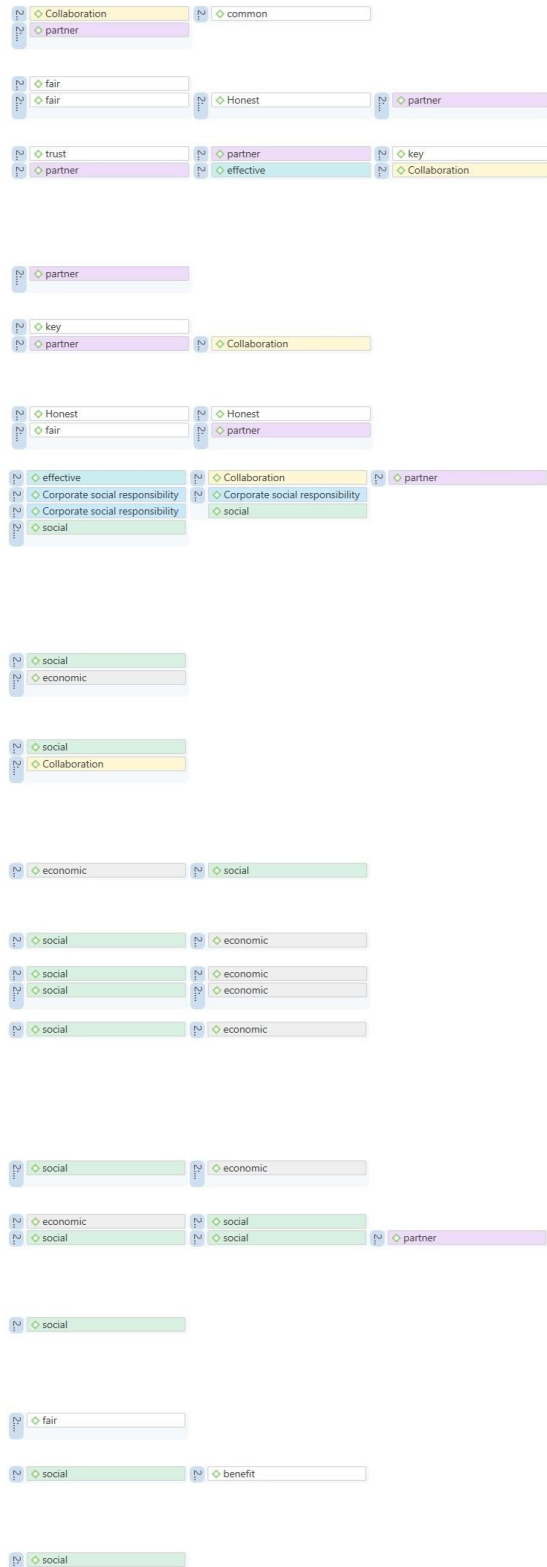
It's very important to mention that the **Economic** values are mostly stronger, but the **social** value of and weight of **social** values are certainly rising up. But balance is good to be that **social** values as a **positive** progress in whole business life and decision making, so it's a developing indicator and part of the contribution.

Yeah. So what expectations do you believe businesses should have [00:15:12] to operate in the **socially** desirable way.

It's a bit similar to earlier. They must be very reliable, sustainable, and **fair**,

[00:15:46] yeah, so when they operate in that **socially** desirable way what **benefits** do you see that a company would get from doing that?

It's expectations are mutual so that they are having the same goals and direction in trying to develop **social** sustainability in business



So how relevant do you envision the state of corporate social responsibility to be in the future?

[00:16:49] Very relevant I trust.

Yes, and how do you think that the collaborative effort between businesses could increase the overall effectiveness of a firm to reach those desirable social goals?

I think that it is in the interest for companies to have social goals and then it should be a core value of the company to provide a sustainable base for business activities.

[00:18:13] All right. So finally in what innovative ways do you believe business could collaborate to focus on creating that shared value of economic and social?

In such a case that the companies and organizational partners are on the same track and that the goals are sustainable and these are meeting together than it is certain that some creative ways are necessary for it to work.

Yeah, I agree that businesses could really have some innovative ways to collaborate and create that shared value and I agree with you that the trend of working on social value is growing quite a lot in the in the years to come [00:20:03] and that's sort of the basis of this thesis is to look at how can companies come together and collaborate to create a goal of working in a sustainable and innovative way to create that shared value. And so would you be interested in seeing the results after I finish the thesis?

Sorry please repeat the last.

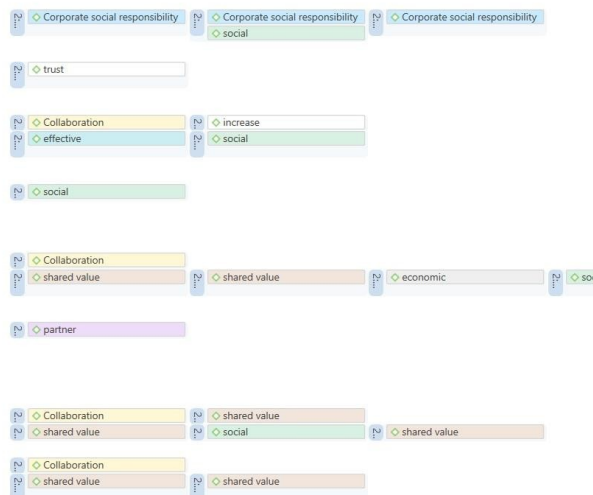
[00:20:35] So when I finish the thesis, would you want me to send you the results of the paper?

Please please I was going to ask if you can send email. Okay?

Yeah, I will definitely send them to you when I finish up. Alright. Well, thank you so much for your time today and sorry about all of those technical problems that arose.

Thank you so much and it was nice to give these comments for you.

[00:21:13] All right. Well, I'll email you shortly in the next coming weeks when I finish it up. And yeah. Alright. Thank you very much and bye.



Markku Mylly Interview Coding:

1. Can you tell me your name, job title, and any notable past experiences in business?

- Markku Mylly - Master Mariner 1980
- Merchants Shipping 1973 - 1987
- FMA 1987 -2010
- FPA 2010 -2012
- EMSA 2012 -2019
- CEO MyNavix 2019 -
- Partner Logscale 2020 -

2. Could you give me some background on your organization and your perspective on business operations?

- MyNavix - consultancy / lecturing / start up
- Logscale - consulting

3. How do you start a [relationship] with a [partner]? Is it casual like at a dinner or strictly professional like at a business meeting or pitch?

- Relationship with [partners] start in many different avenues.
 - Long term [relationship] - network
 - Business meetings
 - Seminars and meetings
 - Direct contacts

4. When entering a business [collaboration] what do you value most in a [relationship] with the other entity?

- Openness and professionalism
- Individual, team and organization performance
- Innovative atmosphere, team spirit
- Respecting others
- Inspiring vision and values - [common] strategic goals
- Equal rights
- Equity should be a guiding principle in building a [partnership]

Relationship partner

partner Relationship

Collaboration Relationship

Open

Collaboration common partner

5. What are your steps in writing up an [effective] [contract]?

- Standard forms and templates- no surprises
- Rules of conduct (e.g. good [communication] between actors, regular attendance of meetings, continuity of personnel, regular transfer of information among the [partners] are adhered to by the [partners])
- Not too long and complicated - hiding something - straight forward

effective contract

communication partner partner

6. Do you establish [common] values or goals with your [partners]? If so, what do you like to place most importance on?

- [Trust] - Before entering a [partnership] with one or more people, you have to [trust] them.
- Complimentary characteristics
- Values and Vision... [common] values and vision
- Communication...
- Mutual Respect...
- Chemistry and Passion...
- Business is Business.

Collaboration partner

common trust partner trust

Collaboration communication

common

7. When working with [partners] how do you maintain [effective] [collaboration] throughout the process?

- Good [communication] and [trust] is essentially important - good and bad news
- Common goals - [common] challenges
- Monitoring - To assess a partnership's achievements, determine improvements to be made and adapt further planning, a comprehensive monitoring system should be used. A [partnership] should be evaluated periodically and publish reports to demonstrate the added value of its work.

partner effective Collaboration

communication trust Collaboration common

partner partner common

8. What are the [key] aspects in producing [positive] results within [collaborations] and how do you judge this performance?

- Building good [relationship] with [collaborative] teams
- Communication and [trust] are essentially important
- Continuous follow up of achievements vs. goals
- Support from superiors and management

key partner

Relationship Collaboration communication trust

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- What the public thinks of your company is critical to its success – good PR and communication
- **Environmental efforts:** One primary focus of corporate social responsibility is the environment. Businesses, regardless of size, have large carbon footprints. Any steps they can take to reduce those footprints are considered good for both the company and society.
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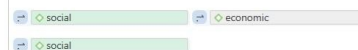
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